

CMS Manual System

Pub. 100-04 Medicare Claims Processing

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 559

Date: MAY 13, 2005

CHANGE REQUEST 3827

SUBJECT: Override of Automated Health Professional Shortage Area (HRSA) and/or Physician Scarcity Area (PSA) Bonus Payments for Globally Billed Services

I. SUMMARY OF CHANGES: This one time notification directs carriers to bypass editing of claims billed when notified by a physician that they do not want to receive the physician bonus payment on globally billed services. This action will be taken through carrier maintenance. This CR also directs VIPS carriers to turn off edits for HPSA/PSA bonuses on globally billed services.

NEW/REVISED MATERIAL - EFFECTIVE DATE*: January 1, 2005
IMPLEMENTATION DATE: June 13, 2005

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual not updated.)
(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N\A	

III. FUNDING: No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.

IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
x	One-Time Notification
	Recurring Update Notification

*Unless otherwise specified, the effective date is the date of service.

Attachment – One-Time Notification

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SUBJECT: Override of Automated Health Professional Shortage Area (HPSA) and/or Physician Scarcity Area (PSA) Bonus Payments for Globally Billed Services

I. GENERAL INFORMATION: This one time notification directs MCS carriers to bypass edit of claims billed when notified by a provider that they do not want to receive the physician bonus payment. This action will be taken through carrier maintenance. This CR also directs VIPS carriers to turn off edits on globally billed claims for HPSA/PSA bonuses.

A. Background: As of 2005, CMS has a new HPSA/PSA automated payment file that lists zip codes that will receive the bonus payment. If a procedure is globally billed, (i.e., the professional component/technical component (PC/TC) indicator is 1 or 4), and the zip code where the service was performed is on the list to receive the automated payment, carriers are returning the services as unprocessable. They are notifying the physician that the professional and technical components must be rebilled separately if performed in a qualifying bonus area. Some providers wish to forgo the HPSA/PSA incentive payment on these services rather than have to bill the components separately.

B. Policy: Enactment of Sections 413(a) and (b) of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) required CMS to revise some of the policy for the current Health Profession Shortage Area (HPSA) bonus payment and to develop a new Physician Scarcity Area bonus (PSA). Medicare automatically pays HPSA/PSA bonuses on a quarterly basis without the need for a modifier on claims for services provided in zip code areas that fully fall within a county designated as a HPSA or PSA. CMS policy did not address providers who wish not to receive the HPSA/PSA bonus payment.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3827.1	As of 30 days from the issuance of this CR, effective for claims with dates of services on or after 1/1/05, carriers and standard systems shall accept claims from physicians who are eligible to receive automated HPSA/PSA bonus payments but have billed services globally.			X						
3827.2	Carriers shall inform the physician community that should they choose not to receive the HPSA and/or PSA bonus payment on globally billed services, they must notify their carrier.			X						
3827.2.1	Carriers shall publish a summary of this option in their listservs, regularly scheduled bulletins, and on their HPSA dedicated Web page.			X						
3827.3	CMS shall publish a summary of the option allowing physicians/psychiatrists to bill globally and not receive the HPSA/PSA bonus on those services on CMS’ HPSA/PSA specialty Web page.								CMS	
3827.4	MCS carriers shall develop a table of physicians that have notified them that they will forego the bonus payments on globally billed services.			X						
3827.4.1	MCS carriers shall accept and make appropriate payment for the services of these physicians on the table that are submitted globally. However, no bonus payment shall be made on the services.			X						
3827.5	MCS carriers shall continue to return claims as unprocessable for physicians not listed in the table who submit globally billed services subject to the HPSA/PSA bonuses.			X						
3827.5.2	VIPS carriers shall turn off the edit for all physicians. Claims for services submitted globally will be paid without a bonus payment.			X						

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
	education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.									

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions
CR 3822	Revision to the HPSA and PSA Payment Rules

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: January 1, 2005 Implementation Date: June 13, 2005 Pre-Implementation Contact(s): Cynthia Glover(410) 786-2589, Bridgitté Davis (410) 786-4573 Post-Implementation Contact(s): Regional Offices	No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.
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